15. Board-executive relationship in team sport charitable foundations: Unpacking trust building through 'exchange currencies'

Christos Anagnostopoulos & Mathieu Winand

INTRODUCTION

As an organisational format, charitable foundations are well positioned in an environment that increasingly requires all types of organisations to practically showcase their social responsibility (Breitbarth et al., 2015). It has been empirically evidenced, both outside (e.g., Herlin and Pedersen, 2013; Minefee et al. 2015) and inside the sporting domain (e.g., Kolyperas et al., 2016; Sparvero and Kent, 2014), that companies have formed charitable foundations for their philanthropic activities and community-based programmes. Indeed, this mode of governance for implementing corporate social responsibility (CSR) (see Husted, 2003) has now become the one most adopted by not only blue-chip companies across the world (Marquis and Lee, 2013), but also by the professional team sport organisations (Walzel, Robertson and Anagnostopoulos, 2018).

Like other non-profit organisations, charitable foundations are governed through their board members (trusties in this case); that is, volunteers who are usually influential personalities who also possess specific professional capabilities and competences, which are not only essential skills for well-thought through CSR-based programmes (Bingham and Walters, 2013), but also a critical condition for the governance of contemporary sport organisations in general (Shilbury and Ferkins, 2011). This need for constant modernisation (see Tacon and Walters, 2016) of non-profit sport organisations (not least the charitable foundations in question) has brought new organisational actors – that is, paid professionals (referred to here as 'foundation executive/CEO') – whose presence inevitably perplexes board group dynamics (Anagnostopoulos and Shilbury, 2013; Schoenberg, Cuskelly and Auld, 2016).

The purpose of this chapter is to unpack a specific type of board group dynamic – namely the board-executive relationship – in the context of the professional sport teams' charitable foundations. More specifically, acknowledging that governance is a process-based exercise, the present study examines process elements apt to improve the charitable foundations' perceived performance; that is, trust and 'exchange currencies' between the foundations' executive/CEO and the board. Thus, the study examines organisational governance with an implicit focus of the board's role on perceived organisational performance, rather than on conformance (Hoye et al., 2018; Shilbury, 2001).

In doing so, the chapter makes a three-fold contribution to the sport governance literature. First, it draws on an organisational setting in which the boundaries between charitable foundation and 'parent' team are frequently ill-defined, thereby rendering board dynamics distinctive (Anagnostopoulos, Byers and Kolyperas, 2017). Such distinctiveness lies in that the composition of the board consists of members of the 'parent' sport team organisation; chief among which are often the owner/chairperson of the team and/or its CEO. Such an influential presence in the board from the 'parent' team's perspective is neither incidental nor inexplicable. Above all, the charitable foundations are at least partially dependent on their founding teams and its network and human resources (Kolyperas et al., 2016). This dependency determines the impact on the beneficiaries (fans, partners etc.) from the community-oriented practices (COP) these charities undertake, which ultimately have a positive return on the brand (the team and the foundation as one organisational unit) in both social and business terms (see Figure 15.1).

INSERT FIGURE 15.1 ABOUT HERE

Second, this study extends discussions in the extant sport governance literature regarding the critical role the concept of trust has in improving board processes. It does so by unpacking the concept's main components and dimensions while providing empirical insights from the executive/CEO perspective. Third, it moves away from theoretical approaches that dominate (sport) governance literature and largely inform empirical studies on the matter (that is, agency-principal theory, managerial-hegemony theory, stewardship theory, stakeholder theory, resource-dependency theory). As such, it draws on social exchange theory – and the concept of reciprocity – to empirically illustrate how trust building occurs by reporting specific 'exchange rates' used by the executives/CEOs to influence the board, and ultimately gain its trust.

Following this introduction, the next section briefly reports core literature related to board-executive relationship while justifying why social exchange theory is an appropriate theoretical lens to explain the relationship in question. The third section offers an account of the research design and the method used. Guided by two conceptual frameworks, the fourth section offers empirical insights into the charitable foundations' executives perceived level of trust and the reciprocity-based tactics these executives use to influence the board in order for the organisation to enhance its social and business performance. The chapter concludes with implications and future research avenues.

ORGANISATIONAL SPORT GOVERNANCE AND BOARD DYNAMICS

The voluntary basis upon which sport organisations have been formed led scholarly activity on sport governance to commence by looking at organisational governance.

This means examining the work of a sport organisation's board and its processes to understand whether and how they affect the performance of the organisation as a whole (Hoye and Doherty, 2011). This examination mostly afforded attention to board member interactions ('group dynamics' as per Hoye and Doherty (2011), or 'intragroup dynamics' as per Schoenberg, Cuskelly and Auld (2016)) that describe the underlying social relationships that influence the way a group (in our case, the board) behaves (Robbins, 2011). Schoenberg et al. (2016, p. 2) stated that:

> An intragroup dynamic (e.g., cohesion, board-CEO relationship, power pattern, conflict etc.) is a shared characteristic of a group that results from group interaction and cannot be structurally regulated, enforced, or implemented. Rather, intragroup dynamics occur and exist through the combination of personalities, behaviours, and attitudes of the individual group members.

In a systematic review of nonprofit governance models and their correlation with perceived organisational performance, the board–CEO relationship was the most captured out of 11 different types of intragroup dynamics (for more, see Schoenberg et al., 2016). Of course, this relationship has been documented in the sport governance literature for some time. For example, 20 years ago when influential sport management scholars (e.g., Auld, 1997; Inglis, 1997; Kikulis, Slack and Hinings, 1995) were exploring the shift from 'kitchen-table' to more 'executive office' designs of the voluntary sport organisations, the examination of the dynamics between volunteers and the paid professionals shed light on the role delineation and the overall processes within these boards.

Elsewhere, empirical research on board dynamics more generally has offered invaluable insights. For example, Doherty, Patterson and Van Bussel (2004) drew on the context of volunteer sport executive committees to examine the types and relative strength of perceived committee norms, finding that there are strong expectations for member behaviour, although those expectations only had a modest influence on the individual behaviours. In the same setting, Doherty and Carron (2003) found that cohesion among the committee members is greater when relating to a task aspect (the goals and objectives set to be met) rather than the social aspect of the group (the relationship among board members). One reason for the lack of cohesion within the board may be a type of conflict. This was the purpose of a study by Kerwin and Doherty (2010), which looked at the nature of intragroup conflict in nonprofit sport boards. The authors found that task, relationship and process conflict were negatively related to decision quality, satisfaction and commitment, while relationship conflict was the most influential variable on all three outcomes.

While cohesion (or the lack thereof) and intragroup conflict affect perceived organisational performance, the commitment and involvement of board members also play a role. Hoye (2007) found that board members who have a higher sense of affective commitment work more productively at their own role and strive to meet their obligations. The issue of power may determine the board's actual behaviour. While evaluating perceived board performance, the notion of power come across in a more implicit (e.g., Adriaanse and Schofield, 2013; Ferkins and Shilbury, 2012; Ferkins, Shilbury and McDonald, 2009; Papadimitriou, 1999) or explicit way (e.g., Hoye and Cuskelly, 2003; Sibson, 2010). This has prioritised the importance of authentic board leadership (Hoye and Cuskelly, 2003; Takos, Murray and O'Boyle,

2018) as well as collective leadership between boards (Ferkins, Shilbury and O'Boyle, 2018).

A common denominator concerning perceived organisational performance in all of the aforementioned organisational-focused sport governance literature is the dynamic of trust. Trust appears to be at play in the board-executive/CEO relationship generally (e.g., Hoye and Cuskelly, 2003; Koski and Heikkala, 1998; Thibault, Slack and Hinings, 1991); as an antecedent for cohesion inside the boards (Doherty and Carron, 2003); as a foundation for a shared vision between board members and employees (Winand, Rihoux, Robinson and Zintz, 2013); in relation to power dynamics (Hoye and Cuskelly, 2003); as a trigger for intragroup conflict (Kerwin and Doherty, 2010); or as a key contributor for authentic and collaborative leadership (Hoye and Cuskelly, 2003; Ferkins, Shilbury and O'Boyle, 2018; Takos et al., 2018).

Notwithstanding the valuable insights these studies have offered on the role of trust (or lack thereof) on improving or inhibiting board processes, this is done mainly in relation to collaboration between boards (e.g., O'Boyle and Shilbury, 2016; O'Boyle, Shilbury and Ferkins, 2019 [in this Handbook]) or between board members (e.g., Takos et al., 2018), rather than specifically between board members and the executives/CEOs. Even when this is the case (see, e.g., Hoye and Cuskelly, 2003), the authors do not explicitly address the concept itself (and components thereof); rather, trust emerges as a critical dynamic for the perceived organisational performance. In this chapter, we build on these findings by unpacking the concept of trust as perceived by the charitable foundations' executives/CEOs in relation to the board members, while sharing empirical insights about the reciprocity-based tactics these CEOs use towards trust building.

THEORETICAL UNDERPININGS

Reciprocal trust relationship and social exchange theory

Trust is the willingness 'to be vulnerable to the actions of another party' (Mayer Davis and Schoorman, 1995, p. 712) as it is anticipated that the trustee (the individual who is trusted) will carry out tasks of significance to the trustor (the individual who trusts). The nature of trust is shaped by social exchange (Molm, Takahashi and Peterson, 2000). Social exchange theory (SET) (Blau, 1964) explains outcomes resulting from the interaction between individuals or organisations so that they should repay any favour received. Trust between parties is one of these outcomes rooted in reciprocal exchange (Molm et al., 2000). According to the reciprocity principle, it is expected the trustee will not abuse the trustor as they give direct or indirect benefits to one another (Lévi-Strauss, 1969; Molm et al., 2007). For example, the 'parent' team supports its charitable foundation with financial and/or contributions-in-kind with the view that the latter will juxtapose a positive image in the community where the former exists and operates (Anagnostopoulos et al., 2017; Kolyperas et al., 2016).

SET considers continuous relationship management and information exchange as critical for success (Sia et al. 2008), and therefore reciprocal trust between parties as important for successful social exchanges (Ali Babar et al. 2007; Schoenherr et al. 2015). Partners should communicate and work together in mutual support. Their relationship should be based on personal trust, integrity and honesty (Spence, 2016). However, partners may not return favours or not fully engage in reciprocal exchange. The uncertainty that surrounds social exchange encourages individuals to trust one another (Cook et al. 2013), which holds the risk of non-reciprocity (Molm 1994; Molm et al. 2007; Molm et al. 2000); that is, a partner giving but receiving little or nothing in return from the other party. Risk is integral to the reciprocal trust relationship and enables exchange partners to prove their trustworthiness to one another (Molm et al. 2007). Furthermore, the level of trust between parties is determined by the conditions that surround these exchanged relationships, such as partners' own characteristics and reputation, the context of the relationship, and partners' past experiences with each other (Ring, 1996). Direct experiences between partners influence how they view one another, their capabilities, and trustworthiness (Lewicki and Bunker 1996). The frequency and significance of exchanges, attributed intentions to the trustee, as well as individual interpretation of the success (or failure) of activities carried out together or for one another, are important factors that condition the trust relationship (Ariño, De la Torre and Ring 2001; Rousseau et al. 1998).

Against this background, we posit that SET and the concept of reciprocity offer a useful theoretical groundwork towards understanding how trust-building between the charitable foundations' executives/CEOs and the board unfolds. It is hoped that such an understanding will help us shed further light on the CEO-board relationship and, thus, on the mechanisms for improving organisational performance. To do this, we draw on and integrate two conceptual frameworks to first unpack the components and dimensions of trust (Dietz and Hartog, 2006) and then exemplify the type of 'exchange currencies' (Cohen and Bradford, 1989) foundation executives/CEOs use towards trust building with the board.

Components and dimensions of trust

The five most common components of trust that have been identified in the literature are uncertainty, risk, vulnerability, expectations, and interdependence (Hudson, 2004; Rousseau et al., 1998).

Uncertainty relates to the limited knowledge that the trustor has regarding whether the trustee will do what s/he has been trusted to do. Because such uncertainty entails the possibility of the trustee failing to meet his/her obligations to the trustor, the latter takes a *risk* in trusting the former. As Rousseau and his colleagues put it, 'uncertainty is the source of risk, and risk creates the opportunity for trust' (1998, cited in Sharp et al., 2013, p. 1249). Although uncertainty can be the source of risk, one must also be willing to take on risk in order to trust somebody. Such willingness, expressed in the trust literature as *vulnerability*, exists because the trustor has certain *expectations* that the trustee will accomplish what has been agreed between the two parties. The last component for trusting relationships concerns *interdependence* between the trustor and trustee. According to Sharp et al. (2013), it is 'a situation where the interests of at least one of the parties cannot be fulfilled without dependence on another party' (p. 4).

However, trust is not a simple 'either/or' matter (Dietz and Hartog, 2006, p. 563), as 'the degree to which one trusts another varies along a continuum of intensity' (Williams, 2001, p. 379). Accordingly, Figure 15.2 summarises the dimensions of trust as identified in the relevant literature.

INSERT FIGURE 15.2 ABOUT HERE

Corroborating previous studies on sport governance that highlighted the critical importance of trust in improving board processes (e.g., Hoye and Cuskelly, 2003; O'Boyle and Shilbury, 2016; O'Boyle et al., 2019; Takos et al., 2018), we posit that the degree to which trust exists between the foundations executives/CEOs and the board (particularly with those members that come from the 'parent' team) will partly determine the social and business benefits resulted from COP. However, such trust building does not just happen. We now look at the tactics used for trust building to occur.

'Exchanging currencies' for trust building

Yukl and Falbe (1990) argued that one of the most important determinants of managerial effectiveness is success in influencing subordinates, peers and superiors. Given the presence in the board of influential organisational actors coming from the 'parent' team – something that renders the independence of the charitable foundation at least 'blurry' – employed influence tactics from the executives/CEOs of the latter require a well-thought-through approach. This is particularly so because foundation executives/CEOs are trying to influence board members without the formal authority to do so. According to Cohen and Bradford (1989), in the absence of formal authority, influence is acquired through principles of reciprocity. As stated earlier, reciprocity is 'probably the best known exchange rule in SET' (Cropanzano and Mitchell, 2005, p. 875), and the latter is amongst the most influential theories for understanding workplace behaviour (ibid.).

As previous research has shown (e.g., Anagnostopoulos et al., 2017; Kolyperas et al., 2016), foundation executives/CEOs are trying to secure as large and as consistent a buy-in as possible from the board members affiliated with the 'parent' team in exchange for contributing towards the latter's business-related objectives. This endeavour is based on the belief that performance (in business and social terms alike) cannot be advanced by either the foundation (being 'independent') or the 'parent' team (being 'dependent') in isolation; instead, for these executives/CEOs the defining characteristic of social exchange is interdependence (Molm, 1994), which involves mutual and complementary arrangements (Cropanzano and Mitchell, 2005). This point reminds us the concept of trust, with interdependence being one of trust's main components. This is not surprising given that trust has been identified as the critical social exchange mediator (Molm, Takahashi and Peterson, 2000).

Cohen and Bradford (1989) argued that in interpersonal exchanges within organisational contexts, ‘exchange rates’ (p. 10) are not restricted to common monetary currencies and that agents (in our case, the foundation executives/CEOs) must broaden the range of what can be exchanged between themselves and their targets (here, the board of trustees). Cohen and Bradford (1989) used the metaphor of ‘currencies’ to formulate five categories that illustrate what might be important to agents and targets during the process of organisational influence (see Table 15.1).

INSERT TABLE 15.1 ABOUT HERE

Several currencies can be traded across several categories depending on what the agent is seeking to achieve by the target’s ‘involvement’. For example, a foundation executive may influence a board member coming from the ‘parent’ team by stressing that the latter’s involvement in a particular COP will have significance to the team’s wider strategic positioning (an inspiration-related currency), which can aid in his/her promotion when the opportunity arises (position-related currency), by the foundation executive having openly expressed his/her appreciation and indebtedness to this person in various board meetings (personal-related currency). Further, we will empirically demonstrate what sort of exchange currencies the foundations’ executives (mostly) use with the board members to get closer to what Dietz and Hartog (2006) referred to as ‘identification-based trust’. But first, a brief account on the method employed.

METHOD

Research setting

In this chapter, we communicate outcomes of a larger study[1] that employed an interpretive approach and used semi-structured interviews for data collection and analysis. Such an exploratory analysis was undertaken through views expressed from executives/CEOs responsible for the day-to-day management of the charitable foundations of their respective football clubs.

The charitable foundations are what Anheier (2001) calls ‘operative foundations’; that is, organisations that implement and coordinate social and community-based projects. Consequently, although the study recognises that the social responsibility of the contemporary businesses should not be limited to community-related projects alone delivered by a company’s charitable ‘arm’ (for more on this argument see Walzel et al., 2018), it aligns itself with the conceptualisation proposed by Rowe, Karg and Sherry (2018), which integrates diverse notions regarding the social involvement of sport organisations. Within it, community-oriented practice (COP) refers to:

> ‘the range of discretionary and externally-focused activities delivered by (or in partnership with) professional sport teams that have specific, targeted, positive impacts on community stakeholders. Such benefits may span, but are not limited to, the focus areas of education, health, social cohesion, disability, gender, livelihoods, peace and sport participation.’ (p. 14)

With this definition in mind, the current study is populated by the charitable foundations of the top two divisions of English football: the 20 clubs in Premier League and the 24 clubs in the Football League Championship. English football was

[1] This is the first author’s doctoral thesis, which examined how charitable foundation managers make decisions about the formulation and implementation of CSR-related programmes. Additional interviews were carried out in 2016.

chosen as the context because that is this country where the strongest institutionalised forms of COP have evolved (Hovemann et al., 2011; Kolyperas et al., 2016).

Interview guide and procedures

Table 15.2 provides an overview of the 28 interviews that were conducted among a sample of charitable foundation executives/CEOs between 2009 and 2016. The interview guide was flexible to the direction of the conversation. Examples of the initial questions during the interviews included: Tell me about the job you do here; What do you think of COP?; Share with me your beliefs regarding COP issues in relation to your job; What is the role of the foundation here?; How does COP 'happen' here?; What facilitates (or inhibits) the application of COP here?; What do you think COP means for the 'parent' football club?; How influential has the board been for the job you do here?; Is there anything that would make your job easier or more effective?

INSERT TABLE 15.2 ABOUT HERE

The interviews were recorded and transcribed verbatim. Following transcription, member checks were conducted (Newman, 2000) and appropriate changes were made on three occasions. Informants were guaranteed anonymity and no names were recorded on the transcriptions during the research. Interview transcripts were assigned numbers and letters that correlated to each interview (for example, ChF1). The numeral indicated the specific participant, recognisable only to themselves and the first author.

All data were manually coded and analysis was conducted using the constant comparative approach, as synthesised by Spiggle (1994), through the seven-stage process of categorisation, abstraction, comparison, dimensionalisation, integration, iteration, and refutation. In the present chapter, however, we offer a thick description of these findings in the form of ‘data extracts’ to demonstrate the main components and dimensions of trust (Dietz and Hartog, 2006) as well as the reciprocity-based tactics (‘exchange rates’) used by these executives to influence the board (Cohen and Bradford, 1989) and ultimately gain their trust.

FINDINGS AND DISCUSSION

On the role of trust

As stated above, trust is not a simple ‘either/or’ matter. As per Figure 15.2, on the extreme left of the continuum, Rousseau et al. (1998, p. 399) discussed the degree of ‘deterrence-based trust’, which chiefly manifests distrust rather than trust. Therefore, this dimension of trust encompasses none of the five common components of trust discussed earlier. In other words, from the trustor’s perspective (in our case, board members from the ‘parent’ team), there is no risk, no spark of vulnerability, and therefore no expectation of a trustee’s goodwill. When distrust exists, compliance is guaranteed through external sanctions and force (Dietz and Hartog, 2006). In the present study, distrust – as conceptualised in the literature – did not seem to be at play, and managerial decision-making in the charitable foundations was not affected by ‘sanctions and force’ (partly thanks to the independent status these organisations enjoyed). As one foundation executive/CEO put it:

> ‘If it is a major decision, then constitutionally the “parent” club has the right to veto. But it hasn’t used that at any point; and I can’t imagine any reason why they would unless they felt that the reputation of the club was at risk.’ (ChF8)

This is an interesting point considering that past literature has shown that to optimise performance the board needs a level of distrust to adequately perform its monitoring duties (Reid and Turbide, 2012), which suggests the need for a balance between trust and distrust (Bradshaw and Fredette, 2009).

Neither can ‘calculus-based’ trust, coined by Lewicki and Bunker (1996), be considered as real trust because the trustor approaches the relationship from a purely cost-benefit perspective and with a continuing deep a priori suspicion of the other (the trustee) (Dietz and Hartog, 2006). A foundation executive/CEO expressed this sort of suspicion:

> ‘For some within the “parent” club, we may exist because there is a statutory obligation to have a community organisation [...] In fact, one of the Board members doesn’t even consider us a real charitable organisation; for this person we are a mere political gimmick [...].’ (ChF9)

Calculus-based trust results more from macro-level evidence than from an individual relationship between trustee and trustor (see Figure 15.2). For example, in the relationship between foundation paid staff and board members that represent the ‘parent’ team, calculus-based trust primarily results from the ‘unproblematic’ relationship between trustors (team) and trustees (foundation). One participant illuminated this kind of trust as follows:

> ‘[...] I am sure there is [trust] because of our track-record and what we have delivered. Financially it’s wiping its face, operationally it’s not causing any problems, PR is going well, so why would they worry?’ (ChF3)

According to Lewicki and Bunker (1996), so-called ‘real trust’ (see ‘threshold’ in Figure 15.2) begins when the trustor stops being suspicious and is confidently persuaded that the trustee has the competence needed to cope with the task. In other words, trust is built upon the trustor’s prior knowledge (hence ‘knowledge-based’) that, despite any uncertainties and entailed risks, history has proven that expectations will be met. Over time, however, trust can become more subjective and emotional. Rousseau et al. (1998) referred to this strong trustor confidence in the other party's ability to meet expectations as 'relational-based trust'. Here, it is the quality of the relationship that defines and determines trust between the two parties rather than the actual trustee's specific behaviours (Dietz and Hartog, 2006). The importance of having (or developing) 'relational-based' trust has been highlighted as a crucial prerequisite for, for example, maintaining the quality of delivery, as the excerpt below illustrates:

'I took over the project and operations manager role in 2004. I had a [sic] club's chairman at the time who basically took the higher strategic role of the Foundation, but I worked in partnership with him. Got to a point in 2008 when his direction and my direction were slightly different; there was a quality-quantity conundrum going on: Do we go for – we have grown, we had 52 full-time members of staff by this point and it was a 2.3-million turnover a year. And the [sic] chairman's view was that we go down a quantity route; we put people who may be qualified to deliver certain programmes to make sure that we had the money to service the base that was 100,000 a year salaries. My view was much more, long turnaround – I had been there for 11 years building relationships with schools, building relationships with the organisations that was a trust relation. It was a quality relation: If you don't deliver quality then you might be around for 12 months, but you certainly won't be around the next year. So actually, we agree to disagree and I took voluntary redundancy at the time.' (ChF2)

The right extreme of the trust continuum (Figure 15. 2) might come close to what Anagnostopoulos et al. (2014) referred to as 'absolute' trust. However, in hindsight what was expressed as 'absolute' may have also encompassed a certain 'lack of interest' from the trustor's point of view. Conversely, Lewicki and Bunker (1996, p. 122) referred in 'identification-based trust' to an identity common to both parties (trustor and trustee) in which ‘each can represent the other’s interests with their full confidence’ (Dietz and Hartog, 2006, p. 564). However, in the present context, and as recent studies have shown (Anagnostopoulos et al., 2017; Kolyperas et al., 2016), a sort of dysfunctional affiliation between the foundations and the ‘parent’ teams exists that requires *manoeuvring* (see Anagnostopoulos et al., 2014) to move closer to what trust literature refers to as identification-based trust.

Thus, it appears that the two extreme ends of the trust continuum – if applicable at all – may only constitute rare cases within English football. The foundation executives/CEOs’ (frequently) long-standing service could favour the establishment of relational-based trust with board members from the ‘parent’ team. Over the last decade or so, however, changes in football club ownership (Walters and Hamil, 2010) have inevitably brought in new personnel at the executive level and possibly differentiated staff turnover in the organisations as a whole. These factors may render the establishment of ‘relational-based’ trust unrealistic. Although trust in relation to COP in English football may have passed the so-called ‘trust threshold’, the possibility of relational-based trust between foundation executives/CEOs and board members from the ‘parent’ team in particular should not be dismissed. The following excerpts largely indicate that knowledge-based rather than relational-based trust seems to be the normative model:

‘I wouldn’t have existed here, survived here if they didn’t believe in it, too. And that’s actually been through three ownerships, that’s continued to three ownerships while I have been here. So we have maintained that, and developed it, and I am absolutely convinced that at every single level there is great pride in that.’ (ChF2)

‘I think I am in here – we are fortunate – we have board members from the club who can see the benefit of what we are trying to do. I think they understand that. I think sometimes there will be some owners who embrace it more than others. And I have been here for a long time, so I have seen quite a lot of ownerships. So I have seen different levels of commitment to what we do.' (ChF1)

'In a space of two years we have had three different owners; the most recent owners – obviously, there hasn't really been time to see how that's going to impact – but the people who are working for him have been down here [at the Foundation] and they looked really positive about what we do. So I am hoping that's going to remain as positive; there is no reason why not, because I think they can see the difference it makes.' (ChF3)

Building particularly on 'knowledge-based' trust, the foundation executives/CEOs emphasised their entitlement to trust throughout this study, based on their organisations' quality in delivering COP that may have had positive social and business results. The trustees (the foundation executives/CEOs) emphasised their trustworthiness – that is, their quality – in performing those tasks for which they had been assigned responsibility.

However, it must be underlined that the literature has viewed trust and trustworthiness as related yet distinct concepts (Hardin, 2002). Sharp et al. (2012, p. 4) drew upon the seminal work of Mayer et al. (1995) to explain that trustworthiness comprises three components: *ability* (the trustor's perception of the trustee's knowledge, skills and competencies), *benevolence* (the extent to which a trustor believes that a trustee will act in the trustor's best interests) and *integrity* (the extent to which the trustor perceives the trustee to be acting in accordance with the trustor's values and norms).

Our findings suggest that all three components of trustworthiness are at play from the foundation executives/CEOs' point of view. For example, ability is notably supported through facts that charitable foundation's performance through COP has a positive social impact. Furthermore, the components of benevolence and integrity are both expressed through what Anagnostopoulos et al. (2014) called ‘safeguarding’, in which foundation executives/CEOs greatly appreciate that their organisations’ actions also should serve the ‘parent’ club’s business objectives. The following extracts illustrate these two components of trustworthiness:

> ‘I think our [sic] chairman here understands that there is a bit of knowledge about community interaction and I am genuinely thinking he respects the fact that such knowledge puts everything we do in the right direction for all parties.’ (ChF5) [BENEVOLENCE]

> ‘It is important that the people who are in charge of the brand – and amongst them it is me, of course – understand the brand is there because a lot of people have secured that brand for a long time; so I walk in the footsteps of legends and I am looking after that while I am here; so, if I want to move on and to keep the brand what it is when I leave, but stronger, then I have to secure that.’ (ChF14) [INTEGRITY]

We have acknowledged the importance of distinguishing trust from trustworthiness, as the literature on socio-psychological conceptualisations of trust suggests (Sharp et al., 2012). Foundation executives/CEOs wish to be trusted more by board members (especially those members that come from the ‘parent’ team), in the belief that this will facilitate their decision-making regarding COP, and subsequently the foundation’s performance in social and business terms alike. The supply of this ‘missing’ trust depends heavily on these organisations’ distinctive features (trustworthiness). Our findings show that the time has come for trustworthiness to be regarded as a standard among team’s charitable foundations; yet, key board members are not currently offering the stimulus (trust) that would enable foundation executives/CEOs to enhance foundations’ performance even more. These executives can build trust through emphasising trustworthiness, which can occur by employing certain exchange currencies.

Trust building through 'exchanging currencies'

As shown in Table 15.1, there are five main 'exchange currencies' categories, which illustrate what might be important to agents and targets during the process of organisational influence (Cohen and Bradford, 1989). Without dismissing the possibility of several currencies working together, it has become evident in the present study that reciprocity is largely sought through task-related currencies (resources, assistance, cooperation and information). Emphasis on task-related currencies by the foundation executives/CEOs against board members from the 'parent' team seems to be in line with past research on board dynamics in sport. For example, the task aspect (as opposed to the social aspect) may ensure greater board cohesion (Doherty and Carron, 2003), whereas task-based conflict (as opposed to relationship one) does not affect decision quality, satisfaction and commitment (Kerwin and Doherty, 2010).

INSERT FIGURE 15.3 ABOUT HERE

Crucially for trust building, the foundation executives/CEOs' tactics seem to be in line with the four principles of exchange process suggested by Cohen and Bradford (1989). First, these executives think of the board members that represent the team as potential allies rather than adversaries. Second, they know that their 'targeted allies' – here the board members affiliated to the 'parent' team – exist and operate in a peculiar and challenging business environment (Chadwick et al., 2018) and have their own objectives to meet *("[...] the reason why that happens because their people are incentivised to put their wages on commission"* (ChF9)). Third, foundation executives/CEOs are aware that they – and by extension their organisations – possess 'currencies' that can be valuable for the 'parent' team and may be exchanged for additional buy-in. As noted, this additional buy-in is necessary in order for identification-based trust to occur; something that ultimately boosts social and business performance. Fourth, foundation executives/CEOs have also started understanding the exchange transaction itself – albeit at various degrees of effectiveness – and so win-win outcomes can be achieved. One participant recognised that the 'exchange transaction itself' is one element that can be further developed from the foundation executives/CEOs' perspective.

'They [the 'parent' team and its members that represent it in the foundation's Board] are probably not interested in things that you or I might be interested in here. They probably are interested in how many more fans come to the game and how many more people buy burgers and more people buy shirts, media shows [...] I think our smartest schemes now are beginning to look for ways they can do that. So they can go back to them and just show look, it might be something on the back of some sponsorship deal. We brought you the sponsor because they wouldn't sponsor you as a club but they will sponsor the community initiative. Then we will get a bigger partnership for the club by doing these schools work we have brought; extra 10,000 tickets over this season which brought you whatever the income […] I think that's what they [the Foundations] need to do a little bit smarter.' (ChF24)

One of the key points in Cohen and Bradford's (1989) fourth principle of the exchange process is that success in influencing others is both situational and relationship-dependent (between the agent and the target); therefore, overuse of the same technique can diminish success rates. Table 15.3 below offers some illustrative examples of how the foundation executives/CEOs use task-related currencies to enhance their trustworthiness, and hopefully gain additional trust from key board members so that more and better COP occurs and enhanced social and business performance can be achieved.

INSERT TABLE 15.3 ABOUT HERE

Space constraints prevent us from determining here the weight that each individual task-related currency may bear in the foundation executives/CEOs' trust-building process. However, it is useful to observe that relationship-based and personal-related currencies are lacking in the foundation executives/CEOs' trust building tactics with board members that are affiliated with the 'parent' team. Rational persuasion requires factual evidence and is currently much more in use with external communication (outside the board), which concerns social performance, rather than the internal communication (inside and/or with the board), which relates to business performance (Anagnostopoulos et al., 2017).

CONCLUDING NOTES

This work allows the generation of a context-specific conceptual framework presented in the form of a model (see Figure 15.3) and related to a particular board dynamic; namely, the board-executive relationship. The study contributes to this important board dynamic not only by unpacking the concept of trust, but also by delineating the development of managerial political skills involved in the various tactical moves practiced in order for COP to not just happen, but to attain higher levels of efficacy. Therefore, the current study draws on the concept of reciprocity and social exchange theory and reveals the necessary micro-organisational processes that foundation executives/CEOs must go through in order to enhance their organisations' performance.

Due largely to their knowledge of the task for which they are responsible, foundation executives/CEOs seem to enjoy a certain degree of trust from key board members regarding the formulation and implementation of COP. These key board members mainly consist of decision-makers in the ‘parent’ team who – with varying degrees of directness – influence the capacity (in-kind support, funding, sponsorships, etc.) that these foundations have for the strategic implementation of COP. As we have shown, however, the foundation executives/CEOs perceive that these key board members do not currently offer enough of this extrinsic stimulus (that is, trust) to enable the former to make decisions that would develop impact to its full potential. One way for an organisation to build up (further) trust is through emphasising its own trustworthiness by concretely highlighting its ability, benevolence and integrity. By drawing on task-related exchange currencies, we have empirically shown how this is done.

We have also suggested that foundation executives/CEOs’ quest for trust building is ultimately spurred by the desire to increase the impact – social and business alike – of their various COP. ‘Increasing the impact’ means better performance, yet better performance assumes additional resources, which will, in turn, increase the capacity of these charitable foundations. One way of securing additional resources is to increase the degree to which foundation executives/CEOs are trusted by the key board members who influence the implementation of COP (for example, through funding). The more vigorously these foundations demonstrate their impact on both social and business-related matters, the more trust they are likely to receive. To this end, we propose that the level of trust between charitable foundations and key board members that comes from the ‘parent’ team will be positively related to social and/or business performance.

However, it is important to underline that social performance plays the dominant role in foundation executives/CEOs strive for gaining additional trust, not least because a charity's principal objectives are social in nature. As literature has empirically shown (e.g., Babiak and Wolfe, 2009; Kolyperas et al., 2016), managerial decision-making within these organisations also entails a belief that COP can actually contribute to business performance. Although this belief is authentic, it is also tendentious in that it is derived from the executives/CEOs' confidence that any evident impact on the 'parent' team' business performance can subsequently lead to higher social performance in the foundation. This would follow on from the team's increased buy-in, which could be, in turn, translated into higher commitment and consequently the allocation of the additional resources necessary for social performance to excel.

In conclusion, despite the inevitable limits of this study's contextual parameters and methodological choices, it is hoped that its insights – that is, the tentative conceptual framework and its associative concepts – can open up the discussion of board dynamics in the context of team charitable foundations, by indirectly examining COP too. To this end, we advocate that, given the fractured, complex and vague nature of CSR in general (Walzel et al.,, 2018) and COP in particular (Rowe et al.,2018), as well as the intersections of governance and social responsibility (see Robertson, Walzel and Shilbury, 2019 in this Handbook), more micro-theorisation on governance-related processes that facilitate socially responsible practices may represent the best way of moving towards a better understanding of not only the CSR/COP concepts themselves, but also the board dynamics that are at play for the enhancement of the organisational performance. We hope that the present chapter helps to provide a foundation that will facilitate just that.

REFERENCES

Adriaanse, J.A., & Schofield, T. (2013). Analyzing gender dynamics in sport governance: A new regimes-based approach. Sport Management Review, 16, 498–513.

Anagnostopoulos, C., & Shilbury, D. (2013). Implementing corporate social responsibility in English football: Towards multi-theoretical integration. *Sport, Business, and Management: An International Journal*, *3*(4), 268-284. doi: http://dx.doi.org/10.1108/SBM-05-2013-0009

Anagnostopoulos, C., Byers, T., & Kolyperas, D. (2017). Understanding strategic decision-making through a multi-paradigm perspective: The case of charitable foundations in English football. Sport, Business and Management: An International Journal, 7(1), 2-20.

Anagnostopoulos, C., Byers, T., & Shilbury, D. (2014). Corporate social responsibility in team sport organizations: toward a theory of decision-making. European Sport Management Quarterly, 14(3), 259-281.

Anheier, K. (2001). Foundations in Europe: A comparative perspective. In A. Schlüter, V. Then, & P. Walkenhorst (Eds.). Foundations in Europe. London: Directory of Social Change.

Ariño, A., De la Torre, J., & Ring, P. S. 2001. Relational quality: Managing trust in corporate alliances. California Management Review, 44: 109-131.

Auld, C.J. (1997) Professionalisation of Australian sport administration: the effects on organisational decision making. The European Journal for Sport Management, 4(2), 17–39.

Babiak, K., & Wolfe, R. (2009). Determinants of corporate social responsibility in professional sport: Internal and external factors. Journal of Sport Management, 23(6), 717-742.

Bingham, T., & Walters, G. (2013). Financial sustainability within UK charities: Community sport trusts and corporate social responsibility partnerships. VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 24(3), 606-629.

Blau, P. 1964. Exchange and Power in Social Life. New York: John Wiley and Sons.

Bradshaw, P., & Fredette, C. (2009). Academic governance of universities: Reflections of a senate chair on moving from theory to practice and back. Journal of Management Inquiry, 18(2), 123–133.

Breitbarth, T., Walzel, S., Anagnostopoulos, C., & van Eekeren, F. (2015). Corporate social responsibility and governance in sport: 'Oh, the things you can find, if you don't stay behind!'. *Corporate Governance: The International Journal of Business in Society*, *15*(2), 254-273. doi: http://dx.doi.org/10.1108/CG-02-2015-0025

Chadwick, S., Parnell, D., Widdop, P., & Anagnostopoulos, C. (2018). Routledge Handbook of Football Business and Management. Routledge.

Cohen, A., & Bradfrod, D. (1989). Influence without authority. Organisational Dynamics, American Management Association, (Winter) pp. 5-17.

Cook, K. S., Cheshire, C., Rice, E. R., & Nakagawa, S. 2013. Social exchange theory In J. Delamater & A. Ward (Eds.) Handbook of social psychology: 61-88: New York: Springer.

Cropanzano, R., & Mitchell, M. (2005). Social exchange theory: An interdisciplinary review. Journal of Management, 31(6), pp. 874-900.

Dietz, G. & Den Hartog, D.N. 2006. Measuring trust inside organisations, Personnel Review, 35: 557-588.

Doherty, A. J., Patterson, M., & Van Bussel, M. (2004). What do we expect? An examination of perceived committee norms in non-profit sport organisations. Sport Management Review, 7, 109-132.

Doherty, A., & Carron, A. (2003). Cohesion in volunteer sport executive committees. Journal of Sport Management, 17, 116–141.

Ferkins, L., & Shilbury, D. (2012). Good boards are strategic: What does that mean for sport governance? Journal of Sport Management, 26(1), 67–80.

Ferkins, L., Shilbury, D., & McDonald, G. (2009). Board involvement in strategy: Advancing the governance of sport organizations. Journal of Sport Management, 23(3), 245–277.

Ferkins, L., Shilbury, D., & O'Boyle, I., (2018). Leadership in governance: Exploring collective board leadership in sport governance systems. Sport Management Review, 21(3), 221-231.

Hardin, R. (2002). Trust and trustworthiness. New York: Russell Sage Foundation.

Herlin, H., & Pedersen, J. (2013). Corporate foundations: Catalysts of NGO-business partnerships?. *Journal of Corporate Citizenship 50 58-90.*

Hovemann, G., Breitbarth, T., & Walzel, S. (2011). Beyond sponsorship? Corporate social responsibility in English, German and Swiss top national league football clubs. Journal of Sponsorship 4(4), 338–352.

Hoye, R. & Cuskelly, G. (2003) Board–Executive Relationships within Voluntary Sport Organisations. Sport Management Review, 6(1), 53-74.

Hoye, R. (2007) Commitment, involvement and performance of voluntary sport organization board members, European Sport Management Quarterly, 7(1), 109–121.

Hoye, R., & Cuskelly, G. (2003b). Board power and performance within voluntary sport organisations. European Sport Management Quarterly, 3(2), 103–119.

Hoye, R., & Doherty, A. (2011). Nonprofit sport board performance: A review and directions for future research. Journal of Sport Management, 25(3), 272–285.

Hoye, R., Smith, A., Nicholson, M., & Stewart, B. (2018) Sport Governance. In R. Hoye, A., Smith, M. Nicholson, B. & Stewart (Eds). Sport Management. Principles and Applications. 5th Edition, (pp. 306-328). Oxon: Routledge.

Hudson, B. (2004). Trust: towards conceptual clarification. Australian Journal of Political Science, 39(1), 75–87.

Husted, B. W. (2003). Governance choices for corporate social responsibility: to contribute, collaborate or internalize?. Long range planning, 36(5), 481-498.

Inglis, S. (1997). Roles of the board in amateur sport organisations. Journal of Sport Management, 11, 160-176.

Kerwin, S. & Doherty, A. (2010) Intragroup Conflict in Nonprofit Sport Boards. Journal of Sport Management, 24(3), 245-271.

Kikulis, L., Slack, T. & Hinings, B. (1995) Does decision making make a difference? Patterns of change within Canadian national sport organizations. Journal of Sport Management, 9(3), 273-299.

Kolyperas, D., Anagnostopoulos, C., Chadwick, S., & Sparks, L. (2016). Applying a Communicating Vessels Framework to CSR Value Co-creation: Empirical Evidence from Professional Team Sport Organizations. Journal of Sport Management, Vol. 30(6), pp. 702-719.

Koski, P., & Heikkala, J. (1998). Professionalization and organizations of mixed rationales: The case of Finnish national sport organizations. European Journal of Sport Management, 5, 7-29.

Levi-Strauss, Claude. 1969. The Elementary Structures of Kinship, rev. ed. Boston: Beacon.

Lewicki R.J. & Bunker B.B. 1996. Developing and maintaining trust in work relationships, in R. Kramer and T. Tyler, eds.. Trust in Organizations: Frontiers of Theory and Research: 133-173: Thousand Oaks, CA: Sage.

Marquis, C. & Lee, M. (2013). Who is governing whom? Executives, governance, and the structure of generosity in large US firms. *Strategic Management Journal*, *34*(4), 483-497. doi: 10.1002/smj.2028

Mayer, R.C., Davis, J.H., & Schoorman, D.F. (1995) An integrative model of organisational trust, Academy of Management Review, 20: 709-734.

Minefee, I., Neuman, E. J., Isserman, N., & Leblebici, H. (2015). Corporate foundations and their governance: Unexplored territory in the corporate social responsibility agenda. *Annals in Social Responsibility*, *1*(1), 57-75.

Molm, D. L., Takahashi N., & Peterson, G. 2000. Risk and trust in social exchange: An experimental test of a classical proposition. American Journal of Sociology, 105:1396–1427.

Molm, L. D. 1994. Dependence and Risk: Transforming the structure of social exchange. Social Psychology Quarterly, 57:163–76

Molm, L. D., Collett, J. L., & Schaefer, D. R. 2007. Building solidarity through generalized exchange: A theory of Reciprocity1. American Journal of Sociology, 113: 205-242.

Newman, W.L. (2000). Social research methods: Qualitative and quantitative approaches, (4th ed.). Boston: Allyn and Bacon.

O'Boyle, I., & Shilbury, D. (2016). Exploring issues of trust in collaborative sport governance. Journal of Sport Management, 30, 52–69.

O'Boyle, I., Shilbury, D., & Ferkins, L. (2019) Breaking down barriers: Collaboration in sport governance networks. In M. Winand and C. Anagnostopoulos (Eds.) Research Handbook on Sport Governance. Edward Elgar.

Papadimitriou, D. (1999). Voluntary boards of directors in Greek sport governing bodies. European Journal for Sport Management, 6, 78–103.

Reid, W., & Turbide, J. (2012). Board/staff relationships in a growth crisis: Implications for nonprofit governance. Nonprofit and Voluntary Sector Quarterly, 41(1), 82–99.

Ring, P.S. 1996. Fragile and resilient trust and their roles in economic exchange. Business & Society, 35:148-175.

Robbins, S. (2011). Foundations of group behaviour. In S. Robbins, T. A. Judge, B. Millett, & M. Boyle (Eds.), Organisational behaviour (pp. 242–273). Frenchs Forest: Pearson Australia.

Robertson, J., Stefan Walzel, S., & Shilbury, D. (2019) Intersections of Governance and Social Responsibility in Sport. In M. Winand and C. Anagnostopoulos (Eds.), Research Handbook on Sport Governance, Edward Elgar, Cheltenham: UK.

Rousseau, D.M., Sitki,n S.B., Burt, R.S., & Camerer, C. 1998. Not so different after all: A cross-discipline view of trust, Academy of Management Review. 23: 393-404.

Rowe, K., Karg, A., & Sherry, E. (2018). Community oriented practice: Examining corporate social responsibility and development activities in professional sport. Sport Management Review, online first. https://doi.org/10.1016/j.smr.2018.05.001

Schoenberg, G., Cuskelly, G. & Auld, C. (2016) The role of intragroup dynamics in nonprofit governance models: a systematic quantitative literature review. Managing Sport and Leisure, 21(1), 1-22.

Sharp, E., Thwaites, R., Curtis, A., & Millar, J. (2013). Trust and trustworthiness: conceptual distinctions and their implications for natural resources management. Journal of Environmental Planning and Management, 56, 1246–1265

Shilbury, D. (2001) Examining board member roles, functions and influence: a study of Victorian sporting organizations. International journal of sport management, 2(4), 253-281.

Shilbury, D., & Ferkins, L. (2011). Professionalisation, sport governance and strategic capability. Managing Leisure, 16(2), 108–127.

Sibson, R. (2010). "I was banging my head against a brick wall": Exclusionary power at the gendering of sport organizations. Journal of Sport Management, 24, 379–399.

Sparvero, E., & Kent, A. (2014). Sport team nonprofit organizations: Are sport doing well at 'doing good'?. *Journal of Applied Sport Management*, *6*(4), 98-116.

Spence, L. J. (2016). Small business social responsibility: Expanding core CSR theory. Business & Society, 55(1), 23-55.

Spiggle, S.: 1994, 'Analysis and Interpretation of Qualitative Data in Consumer Research', Journal of Consumer Research 21, 3, 491–503.

Tacon R. & Walters, G. (2016) Modernisation and governance in UK national governing bodies of sport: how modernisation influences the way board members perceive and enact their roles. International Journal of Sport Policy and Politics, 8(3), 363-381.

Tacos, N., Murray, D., & O'Boyle, I. (2018)Authentic Leadership in Nonprofit Sport Organization Boards. Journal of Sport Management, 32(2), 109-122.

Thibault, L., Slack, T. and Hinings, B. (1991) Professionalism, structures and systems: the impact of professional staff on voluntary sport organizations. International Review for the Sociology of Sport, 26, 83–97.

Walters G., & Hamil, S. (2010). Ownership and governance. In S. Hamil, & S. Chadwick (Eds.), Managing football: An international perspective, (pp. 17-36). Oxford: Butterworth-Heinemann.

Walzel, S., Robertson, J., & & Anagnostopoulos, C. (2018). Corporate social responsibility in professional team sports organizations: An integrative review. Journal of Sport Management. In print.

Williams, M. (2001). In whom we trust: group membership as an affective context for trust development. Academy of Management Review, 26(3), 377-96.

Winand, M., Rihoux, B., Robinson, L. & Zintz, T. (2013) Pathways to high performance: a Qualitative Comparative Analysis of sport governing bodies. Non Profit and Voluntary Sector Quarterly, 42(4), 739-762.

Yukl, G., & Falbe, C. M. (1990). Influence tactics and objectives in upward, downward, and lateral influence attempts. Journal of Applied Psychology, 75(2), 132–140.

Table 15.1: Commonly Traded Organisational Currencies (Cohen & Bradford, 1989, p. 11)

Figure 15.1: Governance in professional teams' charitable foundations